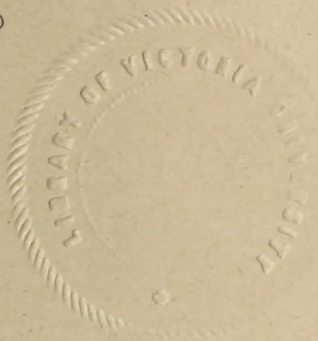


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Co-operative Societies

The Responsibilities and
Opportunities of Members

BY
GEORGE KEEN



Address delivered at
The First National Convention of the
Co-operative Societies of the United
States held at Springfield, Illinois,
September, 1918

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A Co-operative Store Is Owned by the Consumers

And conducted under their own direction and control for their own advantage. A fixed rate of interest is paid on share capital. Every member has one vote only, no matter how much capital he or she may have invested. No more than the current market prices is charged, and the surplus, or "profit," is returned periodically in cash in proportion to the amount of the purchases each member has made.

Your Local Society

If one is in operation, will gladly give you information, as to terms of membership, methods of business, etc., on application to the manager at the store. Join it now and add your trade to that of other consumers in reducing the cost of living.

As to organisation in communities where
a Co-operative Society does not exist

Write to

The Co-operative Union
of Canada

Organization Department

Brantford

Ontario

Co-operative Societies

The Responsibilities and Opportunities of Members

BY GEORGE KEEN

General Secretary The Co-operative Union of Canada
Editor of "The Canadian Co-operator"

(Address delivered at the First National Co-operative Convention of the United States held at Springfield, Illinois, September, 1918.)

The Co-operative Movement has had a chequered career on this continent. We have had many failures and some successes. Even in our successes they have often lacked the features of progression and permanency. It is generally conceded that the people of the North American continent are enterprising, energetic and progressive in commerce and industry, and have, to an unusual degree, the capacity for successful organization, and yet in the democratization of commerce, industry and finance, we have found it difficult to make headway. On the other hand we have been compelled, with admiration, to witness in many of the countries of Europe remarkable co-operative development upon a sound and permanent basis, and on an ever increasing scale. We have had to recognize that fact, notwithstanding the belief generally entertained that in some, at least, of such countries the people have not had the democratic liberties we are legally entitled to enjoy, nor the educational opportunities which are accessible to all our citizens, including those in the most humble circumstances.

It is very rare indeed that any effort is made to investigate the underlying causes of the success of co-operation in other countries. Usually the efforts in that respect of people interested in American co-operation are confined to providing excuses for our own fail-

ures. Even professors of political economy, who are expected to approach the consideration of scientific and quasi-scientific subjects with open minds, free from pre-conceived notions, and with the desire solely to investigate, ascertain and define on the evidence available, have been guilty of this weakness. The excuses offered are numerous and varied. The most important are that the average North American citizen is too opulent to be attracted by the small but steady savings to be expected from the operations of co-operative societies; that our population is too migratory in its habits to justify the expectation of success; that, as the result of a democratic environment, devoid of fixed class distinctions, in which everyone is supposed to have equal opportunities to achieve material success, we are too strongly individualistic in our outlook to merge our energies and our hopes in a common achievement; that the continent is too sparsely settled to permit of the necessary degree of unity of action, or that commerce and industry are on such a great scale, and so highly organized, that the rank and file of the working and agricultural classes cannot be expected by the organization of co-operative societies successfully to compete with capitalistic business and industry. Each of those alleged reasons or excuses is capable of refutation, but it is no part of

my duty on this occasion to demonstrate it.

The Essential Factor

The one factor which determines the success or failure of a co-operative society, and which accounts for the national grandeur of the Movement in one country and its relative unimportance in another, is usually overlooked. It is the degree of co-operative spirit, co-operative knowledge, and co-operative intelligence which has been developed in the membership. I am quite prepared to confess that it is greatly to the advantage of a co-operative society to have an alert, energetic and efficient directorate, management and staff, and to have its undertakings adequately financed. I admit that we ought to strive to obtain the highest degree of executive and administrative efficiency. Nevertheless, if the quality of the membership is high, errors or inefficiency in business policy, management or finance, will be eventually overcome, lessons will be learned from past mistakes, discouragements will be disregarded, and an irrespressible and well-sustained enthusiasm will be shown which does not recognize failure. If, on the other hand, a society is composed of a poor type of member—of people who understand nothing, and do not wish to know anything, about co-operative principles, and are interested in a society in the same sense as they are interested in the bargain-giving departmental store and its attractive cut-price advertisements, that is to say only for what they can individually make out of the society—it is always on an insecure basis, no matter how efficiently it is managed or capitalized. Given a manager of unusual capacity and energy, a society may succeed for a time, but if the spirit of co-operation does not develop and prevail in the institution, it is not long before he comes to the conclusion that he alone is responsible for the success achieved, and that he might just as well monopolize the profit-surplus as divide it among a large number of people who own the business and provide the trade. It is consequently likely that he will take advantage of the indifference of the members to operate the business with the view to its ultimate transfer to his private ownership, or he will take advantage of the good will of the customers to start in business in competition, or, if

he should possess a high sense of honor, he will open up a business career on his own account elsewhere.

Should the institution have an indifferent or incapable manager, or, for other reasons make a loss, or fail to provide a surplus sufficient to justify a dividend on purchases in consumers' societies—or the equivalent in other forms of co-operative enterprises—the non-co-operative member is prone to increase the difficulties of the society by withdrawing his support and jeopardizing the integrity of his invested capital, just at the moment when his loyalty is most needed. He will be guilty of this foolish conduct even though by continuing to support the organisation of which he is a part-proprietor he enjoys advantages equal to what he could get outside the Movement.

Imitative Co-operation

It is an easy and simple thing for a number of people to imitate the Rochdale formula. Thousands of organisations on the Rochdale plan have, during the last half century, been incorporated on this continent, but very rarely has any considerable number of the people interested therein known anything of the Rochdale principles; the understanding of and conscientious attachment to which is essential if the plan is to be successfully applied. We have sought in our various societies to create a great body of so-called co-operators, but we have not cultivated the soul of the Movement without which the economic body cannot generate life or vigor. Before the average man or woman joins a political party or a church, he or she takes the trouble to study, and if possible to understand its tenets, its general policy, and the objects it has in view. The principles of the Co-operative Movement embody a moral philosophy and a humanitarian ambition which cannot be excelled by any other Movement, and yet we impose no educational or moral test on receiving a member into the co-operative family. Rarely, indeed, is it a compulsory obligation upon him to give the society his support. Probably the majority of our members, generally through no fault of their own, are not co-operators, nor has their interest in the gospel of co-operation been awakened.

Success Depends on Members

As I have already urged, the responsibility for the success of a co-operative society depends principally upon its membership. Whether or not it is achieved is determined by its quality. The Co-operative Movement is essentially one of self-help in mutual association. That principle was the most important one which distinguished the successful Rochdale pioneers from their unsuccessful predecessors. The wonderful growth of Rochdale co-operation is to be attributed more to that fact than the method of division of surplus revenues. If our members are to be successful co-operators they must co-operate. The term by which they are described suggests not only that they should but that they do. It should be our duty, if possible, to see that our members justify the title of co-operators by which they are known. Each member, being a part-proprietor of the undertaking, should have his mind deeply influenced by that fact. A member should regard the welfare of the society as a responsibility personally resting upon him, in nature, even though not in degree, as important as giving satisfactory attention to his own exclusive affairs. The member ought, for example, to take an intelligent interest in the manner in which the society is conducted, to attend its meetings, make himself master of its balance sheets, and give his fellow members the advantage of his well-considered and dispassionate views on questions relating to the advancement of the interests of the society. He ought to seek every opportunity of enlightening his neighbors as to the advantage of co-operative action, and the value of the principles upon which it is based. He should do so with the knowledge that he is not only performing an act which will operate to his own benefit in increasing the volume of transactions of the society, and therefore of possible economies, but that it will in a similar measure contribute to the betterment of his neighbor. He should become charged with the idea that the failure of the society of which he is a member would reflect upon him personally, as well as bring discredit upon the Movement generally, and that, therefore, it is his particular duty on every possible occasion, to promote its success, to conserve its assets, and to advance its interests.

Unselfishness Pays

There is much latent energy in the membership of our societies which should be harnessed for the common good. Fields of activity suitable to the capacity and opportunities of each member should be carefully thought out, organized and applied. It will be found that many members are willing to assist, but need to be approached. Others would give energetic and intelligent service, but it is necessary to stimulate their zeal. Some would give their active assistance if the officials responsible for the administration would indicate the manner in which it could advantageously be rendered. Our motto is "each for all and all for each." It may appear to be a paradox, but it is a well-known fact that the more each member of a society is prepared unselfishly to work for the advantage of all the members, the more his own selfish interests will be served. In the Co-operative Movement it pays to be unselfish.

The Co-operative Spirit

I am somewhat at a loss to tender advice as to the responsibilities and opportunities of members owing to my feeling that before they can appreciate and exercise them they need to be educated. The true co-operative spirit should be systematically cultivated. Our members should be impressed with the fact that success is determined by the extent to which they entertain it. They ought to be taught that the Co-operative Movement is not merely a system whereby savings are effected in purchasing and selling, in marketing and producing, in housing and finance. They ought to be made to understand that these are but material forms in which, for our mutual good, co-operative principles can be applied. The genuine co-operator looks at all life from the co-operative standpoint. To him the different forms of economic co-operation represent but certain material conditions in which his co-operative spirit finds expression. He knows that the spirit of co-operation is the fundamental law of the universe; that the spirit of competition involves mutual destruction, decay and death. The co-operator knows that were all people co-operators there would be no wars; that there would be no exploitation of the weak by the strong; that there would be no disposition on the part of

one nation to secure political or economic supremacy over others; that if the lives of all men were governed by co-operative principles we would have a universal brotherhood; that in the substitution of co-operative effort for competitive strife the wealth of the world would be greatly increased and more equitably enjoyed, and that there would be evolved, physically, morally and intellectually, a higher type of humanity than has ever existed in the past.

The True Co-operator

A man can be an excellent co-operator and not be a member of a co-operative society. Unfortunately he may be a member of a society and yet have none of the attributes of a co-operator. The true co-operator can apply his co-operative principles in his social life where questions of economic advantage do not arise, equally as well as in the administration of a co-operative society. He can apply them in the City Council, on the School Board, in the Legislatures, and in every form of collective activity. The Co-operative Movement, because of the quality of its moral principles and the grandeur of its philosophy, has commanded the respect and admiration of more classes of men than any other Movement. Men of all religions and of no religion, of all nationalities and of all political parties, from the most conservative to the extreme socialist, have sung its praises. Many of our most enthusiastic, energetic and service-giving adherents have been men who had nothing to gain in the material sense from it. Edward Vansittart Naale, the first secretary of the British Co-operative Union, for example, spent a great fortune in financing workmen in co-operative workshops. A former Governor-General of Canada, the late Earl Grey, made a practice of devoting his dividends on purchases to public charities. True co-operators have a vision of a co-operative commonwealth—indeed of an international co-operative commonwealth. They practise economy in production, distribution and finance, and promote equity in the enjoyment of it, not as an end in itself, but for the moral and cultural effects upon the minds of the masses of the people. Robert Owen, generally regarded as the father of the Movement, sought to use its economic and social activities to bring about a new moral

world. The competitive struggle for existence has been so intense, and so long and consistently maintained, that unconsciously the people have formed a habit of regarding the pursuit of the means of sustaining life as the actual object of living. While the competitive struggle for possession of the material resources of the world keep the same constantly in evidence, it only needs a moment's meditation to appreciate its absurdity. Wealth cannot have any beneficial influence upon our lives if possessed in excess of our needs. All would be happier if each had enough, and no one had wealth to excess. The world is abundantly capable of satisfying every reasonable need of all.

The Need of Education

Several articles have, at various times, appeared in a British Co-operative newspaper, advocating that no further members should be admitted until they had undergone examination as to their knowledge of and belief in co-operative principles, and their desire to practise them. Probably, even in Britain, this is impracticable, because savings effected in economic co-operation are determined by the volume of transactions. Every dollar of trade support of the selfish and unco-operative member contributes to success equally with the dollar of the genuine co-operator. In North America such a policy would be still more impracticable. We must continue to accept a large number of members who join solely because they are willing to subscribe to the share capital, and to give a co-operative society their trade support. The duty, however, devolves upon the people responsible for the direction of our societies to see that such members develop interest in co-operation for its own sake, that they are, if possible, instructed in co-operative history and principles, and that an attachment to our social and moral principles is cultivated. While our management committees are energetically seeking to fill the pockets of the members with co-operative savings, an education committee should be permanently at work to enrich their minds with co-operative knowledge and ideals. Every co-operative institution should have its library and should not only circulate co-operative literature, but exercise every ingenuity in creating a desire in the members to read it.

The members periodically meet for the purpose of reviewing the business transactions of our societies. They ought more frequently to assemble to discuss the principles of the Movement and the various phases of its activities, and particularly as to the effect of the same or how they can advantageously be applied to the success of their own societies. The collective intelligence of the membership exercised on such occasions might frequently bring forth suggestions of general advantage which could be successfully practised by the committee of management. There should also be frequent conferences of the societies in each district to promote common aims.

Our societies should contribute liberally of their means to educational and propaganda work. Even in Britain, where one-fourth of the population are members of co-operative societies, about half a million dollars are spent annually in co-operative education, without taking account of the value of that which is imparted without compensation, or for nominal reward. It is more necessary in North America, where our numbers are small, our principles are comparatively unknown, and our members are little instructed, and have not had the advantage of being raised in co-operative homes, that we should have substantial appropriations for educational purposes. The British Movement has classes for the education of children between ten and fourteen years of age, in itself constructive evidence in support of my assertion that co-operation is not something solely relating to the effecting of gains in trade, commerce and industry. Children of such ages are too young to be deeply and personally interested in purchase dividends. The best brains in the North American Movement ought to devise the most effective forms of supplying useful and reliable information on co-operative subjects and of propagating a knowledge of co-operative principles among our fellow citizens.

The Co-operative Commonwealth

We cannot develop a national movement solely by organising people into co-operative societies. To organisation we must add agitation, and above all education. We have something to

offer the world which the world will more badly need after the war than it ever did before; we have the one gospel which is essential to the redress of national and international ills. We have the only doctrine which will guarantee to this stricken world the peace and happiness for which it craves. Let us get out and make it known. Let us try to infuse the minds of our fellow-citizens with the true co-operative spirit, and when we have done this we shall have laid the foundation for a genuine co-operative commonwealth which will need no State constitution to guarantee it. We shall eventually evolve in association with our fellow co-operators in other countries that permanent international peace which no league of nations can insure. We shall have an international co-operative commonwealth. We may not live to see the complete achievement of the co-operative ambition. It is not likely we shall have even a Mount Pisgah view of the Promised Land; but we have this great satisfaction to feel and advantage to urge that co-operators in climbing upward and onwards towards their ultimate goal are at each step of the journey contributing something which can be applied immediately to the advantage and the social and economic relief of the people.

In conclusion, I would urge that there is, to my mind, one thing certain, and that is without widespread education of the people in co-operative history, principles and objects, and without a general infusion of the co-operative spirit in our members, our economic activities will continue to be spasmodic, uncertain and insecure, and our Movement will lack that progression and solidarity which is essential if it is to grow on a rational scale at all commensurate with the remarkable achievements of co-operators in other lands. Given the necessary co-operative spirit, and the sustained enthusiasm and self-sacrificing energies which flow from it, the United States, owing to its great population, its incomparable natural resources, its democratic basis, the high standard of cultivated intelligence of its people, and their genius for organisation, ought soon to lead the world in the magnitude and success of its national co-operative movement.

The Co-operative Union of Canada

Brantford, Ont.

[Organised 1909]

Is the National Federation of Canadian Co-operative Societies. Through its affiliation with the International Co-operative Alliance, it represents in Canada the World-wide Co-operative Movement.

"The Canadian Co-operator"

Its monthly magazine, is the only national periodical in Canada devoted to the promotion of true Co-operative Principles and instruction therein, Annual subscription, 50c per Annum. Free copies may be obtained from any of the local affiliated societies.

The Organisation Department

Undertakes the organisation and incorporation of Co-operative Store Societies in industrial centres and rural districts, Co-operative Warehouses for farm supplies and Co-operative Marketing and Productive Societies. Lecturers and Propaganda Addresses. Advice on Co-operative Subjects.

Literature

PAMPHLET: This one 3c each: 100 for \$2 "The Co-operative Movement, its principles, policy and progress"; "Co-operation in Agriculture" 5c each, 50 for \$1.50; 100 for \$2.50.

BOOKS: "Co-operation: The Hope of the Consumer (Emerson P. Harris), cloth 328 pages \$2.15. "History of Co-operation in Scotland," (Wm. Maxwell,) cloth, 398 pages, 32 page illustrations, \$2 15. "The Co-operative Movement in Russia" (J.G. Bubnoff)\$1.25

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